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FISCAL IMPACT STATEMENT

LS 6858

BILL NUMBER: SB 449

NOTE PREPARED: Jan 5, 2004

BILL AMENDED:

SUBJECT: Home- and Community-Based Services.

FIRST AUTHOR: Sen. Server

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
☒ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill allows the Health Finance Commission to study implementation of long-term care services. It also requires the Area Agencies on Aging to work with the Division of Disability, Aging, and Rehabilitative Services to develop teams, including volunteers, to assist in the identification of persons suitable for home- and community-based services.

Effective Date: July 1, 2004.

Explanation of State Expenditures: This bill would allow the Health Finance Commission to study the implementation of P.L. 274-2003 providing long-term care services. This provision has no fiscal impact since the Commission may already do so. During the 2003 interim, the Commission heard testimony on the implementation progress of P.L. 274-2003.

The bill also requires the 16 Area Agencies on Aging (AAAs) to work with the Division of Disability, Aging, and Rehabilitative Services (DDARS) to establish teams to identify individuals placed in nursing facilities who are willing and suitable recipients for home- and community-based services. The teams may include volunteers who would receive training for this purpose from the AAAs. The Indiana Association of Area Agencies on Aging has indicated that staff oversight, coordination, and training for volunteers would be necessary. In addition the AAAs would incur volunteer expenses for Worker's Compensation, liability insurance, and mileage. The Association estimates that expenses for a statewide program might be as much as \$1.5 M. There is some question as to whether the expenses incurred for volunteers by the AAAs would be eligible for federal administrative matching funds of 50%. It is clear that only expenses relating to the Medicaid waiver could be claimed for the federal match.

If the efforts of the teams of volunteers would result in an increase in the number of individuals diverted out of nursing facilities to less expensive home- and community-based care, some savings within the Medicaid program could be achieved. The level of savings to be achieved would be dependent upon the number of individuals that would be able to return to their homes and the level of services needed to maintain them in their homes. For FY 2002, OMPP reported that average annual per capita expenditures for waiver recipients was \$19,880, while the comparable estimated cost for nursing facility residents was \$25,863; a savings of \$5,983 per recipient. This represents a state share of savings of \$2,274 per recipient annually.

Expenditures in the Medicaid program are shared, with approximately 62% of program expenditures normally reimbursed by the federal government and 38% provided by the state. These percentages are exclusive of the adjustments in the federal matching rates allowed by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Disability, Aging, and Rehabilitative Services.

Local Agencies Affected: Area Agencies on Aging.

Information Sources: Douglas Beebe, Deputy Director, Bureau of Aging and IN-Home Services, Division of Disability, Aging, and Rehabilitative Services, 317-232-7123; and Melissa Durr, Executive Director, Indiana Association of Area Agencies on Aging, 317-202-0500 ext. 205.

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